

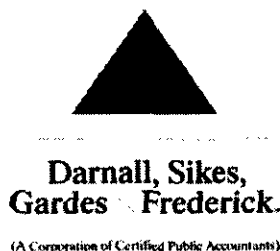
CITY COURT OF ABBEVILLE, LOUISIANA**Financial Report****Year Ended December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05

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Independent Auditor's Report

The Honorable Edward Broussard, Judge
City Court of Abbeville, Louisiana

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We have audited the accompanying financial statements of the City Court of Abbeville, Louisiana, a component unit of the City of Abbeville, Louisiana, as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Judge of the City Court of Abbeville, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Abbeville, Louisiana, as of December 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2005, on our consideration of the City Court of Abbeville, Louisiana's internal control over financial reporting, and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The City Court of Abbeville, Louisiana has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated June 10, 2004 we expressed an unqualified opinion on the respective financial statements.

Dannall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
June 3, 2005

FINANCIAL SECTION

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Net Assets
December 31, 2004

ASSETS

Current assets:	
Cash	\$ 100
Interest-bearing deposits	461,213
Investments	<u>55,646</u>
Total current assets	<u>516,959</u>
Capital assets:	
Equipment	40,325
Furniture and fixtures	<u>29,036</u>
	69,361
Less: accumulated depreciation	<u>(51,203)</u>
Total capital assets, net of accumulated depreciation	<u>18,158</u>
Total assets	<u>\$ 535,117</u>

LIABILITIES

Current liabilities:	
Accounts payable	\$ 2,690
Due to other agencies	252,087
Deferred revenue	<u>60,146</u>
Total liabilities	<u>314,923</u>

NET ASSETS

Invested in capital assets	18,158
Unrestricted	<u>202,036</u>
Total net assets	<u>220,194</u>
Total liabilities and net assets	<u>\$ 535,117</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Activities
Year Ended December 31, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u> <u>Charges for</u> <u>Services</u>	<u>Net (Expense) Revenue</u> <u>And Changes in</u> <u>Net Assets</u>
			<u>Governmental</u> <u>Activities</u>
Governmental activities:			
General government	\$ 239,710	\$ 220,914	\$ (18,796)
	General Revenues:		
	Interest income		<u>5,704</u>
	Change in net assets		(13,092)
	Net assets -- beginning		<u>233,286</u>
	Net assets -- ending		<u>\$ 220,194</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Balance Sheet
Governmental Fund
December 31, 2004
(With Comparative Totals as of December 31, 2003)

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash	\$ 100	\$ 100
Interest bearing deposits	461,213	418,022
Investments	<u>55,646</u>	<u>55,075</u>
Total assets	<u>\$ 516,959</u>	<u>\$ 473,197</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 2,690	\$ 1,662
Due to other agencies	252,087	210,475
Deferred revenue	<u>60,146</u>	<u>51,321</u>
Total liabilities	<u>314,923</u>	<u>263,458</u>
Fund equity:		
Fund balance -		
Unreserved, undesignated	<u>202,036</u>	<u>209,739</u>
Total liabilities and fund equity	<u>\$ 516,959</u>	<u>\$ 473,197</u>
 Total fund balance for governmental funds	 \$ 202,036	 \$ 209,739
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds	<u>18,158</u>	<u>23,547</u>
Net assets of governmental activities	<u>\$ 220,194</u>	<u>\$ 233,286</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Fund

Year Ended December 31, 2004

(With Comparative Totals for the Year Ended December 31, 2003)

	2004	2003
Revenues:		
Court costs	\$ 128,865	\$ 131,126
Fines	92,049	40,721
Interest	5,704	5,365
Total revenues	<u>226,618</u>	<u>177,212</u>
Expenditures:		
Current -		
Salaries and payroll taxes	30,104	26,372
Conferences and meetings	6,695	7,687
Office expenses	15,902	20,389
Telephone	4,549	3,996
Audit fees	3,750	3,750
Janitorial service	1,350	1,426
Miscellaneous	1,153	1,042
Repair and maintenance	198	167
Dues and subscriptions	1,690	1,635
Computer service	3,600	3,600
Court costs -		
Indigent defender's board	30,807	26,695
City Marshall - fees	20,266	18,750
City Marshall - holding facility	470	1,105
Louisiana commission on law enforcement	2,391	2,302
City of Abbeville - witness fees	7,239	11,465
City of Abbeville - intoxilizer fees	1,030	2,050
Acadiana crime lab	7,288	3,760
Vermilion Parish District Attorney	150	780
Department of Public Safety	100	160
Case management information systems	2,298	2,062
Louisiana rehab services - HSCI	1,242	1,600
Court fines -		
City of Abbeville	91,289	39,214
Vermilion Parish Police Jury	760	1,507
Capital outlay		
Equipment	-	7,532
Total expenditures	<u>234,321</u>	<u>189,046</u>
Deficiency of revenues over expenditures	(7,703)	(11,834)
Fund balance, beginning	<u>209,739</u>	<u>221,573</u>
Fund balance, ending	<u>\$ 202,036</u>	<u>\$ 209,739</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance Of the Governmental Fund to the Statement of Activities Year Ended December 31, 2004 (With Comparative Totals for the Year Ended December 31, 2003)

	<u>2004</u>	<u>2003</u>
Net change in fund balance - governmental fund	\$ (7,703)	\$ (11,834)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense -		
- Capital outlay expenditures	-	7,532
- Depreciation expense	<u>(5,389)</u>	<u>(7,105)</u>
Change in net assets of governmental activities	<u>\$ (13,092)</u>	<u>\$ (11,407)</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

General Fund Budgetary Comparison Schedule Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
Court costs	\$150,000	\$145,000	\$128,865	\$ (16,135)
Fines	50,000	88,000	92,049	4,049
Interest	3,000	4,550	5,704	1,154
Total revenues	<u>203,000</u>	<u>237,550</u>	<u>226,618</u>	<u>(10,932)</u>
Expenditures:				
Current -				
Salaries and payroll taxes	28,200	27,190	30,104	(2,914)
Conferences and meetings	6,000	8,600	6,695	1,905
Office expenses	22,000	27,315	15,902	11,413
Telephone	4,500	4,100	4,549	(449)
Audit fees	4,000	3,750	3,750	-
Janitorial service	1,500	1,200	1,350	(150)
Miscellaneous	500	970	1,153	(183)
Repair and maintenance	3,000	290	198	92
Dues and subscriptions	2,000	1,150	1,690	(540)
Computer service	4,000	3,600	3,600	-
Court costs -				
Indigent defender's board	32,000	30,250	30,807	(557)
City Marshall - Fees	20,000	19,950	20,266	(316)
City Marshall - Holding facility	900	500	470	30
Louisiana commission on law enforcement	2,500	2,300	2,391	(91)
City of Abbeville - Witness fees	12,000	7,525	7,239	286
City of Abbeville - Intoxilizer fees	2,400	955	1,030	(75)
Acadiana crime lab	5,000	6,800	7,288	(488)
Vermilion Parish District Attorney	500	180	150	30
Department of Public Safety	100	100	100	-
Case management information systems	2,500	2,250	2,298	(48)
Louisiana rehab services - HSCI	1,800	1,225	1,242	(17)
Court fines -				
City of Abbeville	45,000	86,500	91,289	(4,789)
Vermilion Parish Police Jury	800	790	760	30
Capital outlay				
Equipment	5,000	100	-	100
Total expenditures	<u>206,200</u>	<u>237,590</u>	<u>234,321</u>	<u>3,269</u>
Deficiency of revenues over expenditures	(3,200)	(40)	(7,703)	(7,663)
Fund balance, beginning	<u>209,739</u>	<u>209,739</u>	<u>209,739</u>	<u>-</u>
Fund balance, ending	<u>\$206,539</u>	<u>\$209,699</u>	<u>\$202,036</u>	<u>\$ (7,663)</u>

The accompanying notes are an integral part of this statement.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City Court of Abbeville, Louisiana (City Court) was created under Louisiana Revised Statute 13:1872 as a political subdivision of the State of Louisiana. The Court operates under the control of the City Judge, an elected official serving a term of six years.

The accounting and reporting policies of the City Court conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the *Louisiana Government Audit Guide* and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity

This report includes all funds which are controlled by or dependent upon the City Court Judge. City Court is a component of a financial reporting entity with the City of Abbeville, Louisiana being the primary government.

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the government. Both the government-wide and fund financial statements categorize primary activities as governmental.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Items not properly included among program revenues are reported as *general revenues*.

A separate financial statement is provided for the governmental fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities for the current period. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

City Court of Abbeville, Louisiana has the following fund type:

Governmental Fund –

The focus of the governmental fund's measurement (in the fund statement) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of City Court:

General Fund

The General Fund is the general operating fund of City Court. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Assets

All capital assets purchased or acquired are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	7 years
Furniture and fixtures	7-10 years

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Practices

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted and as finally amended by the City Court Judge.

Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

Salaries and Compensated Absences

Salaries include amounts paid for part-time office staff, as well as monthly payments to the Clerk of Court and other full-time employees. Salaries do not include amounts paid to the City Judge, City Marshall, nor the regular salaries of the Clerk of Court and other full-time employees, which are paid by the Vermilion Parish Police Jury and the City of Abbeville. Employee benefits such as retirement, health insurance and compensated absences are also provided by the City of Abbeville. No liability has been accrued for compensated absences since the City Court is not responsible for those costs.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by City Court.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to the Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the City Court may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City Court may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2004, the City Court had cash and interest-bearing deposits (book balances) totaling \$461,313 as follows:

Cash on hand	\$ 100
General Fund - Criminal account	157,564
General Fund - Special account	<u>303,649</u>
Total	<u>\$ 461,313</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2004, are secured as follows:

Bank balances	\$ 462,283
Federal deposit insurance	<u>70,000</u>
Balance uninsured	392,283
Pledged securities (Category 3)	<u>494,170</u>
Excess FDIC insurance and pledged securities	<u>\$ 101,887</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in City Court's name. Even though the pledged securities are considered uncollateralized (Category 3), state law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by City Court that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 INVESTMENTS

Investments consist of the following certificates of deposit:

<u>Institution</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank of Abbeville	6 months	4/15/2005	1.75%	\$ 30,000
Abbeville Building & Loan	18 months	3/10/2006	2.25%	<u>25,646</u>
				<u>\$ 55,646</u>

The investment balances are fully secured by FDIC insurance.

CITY COURT OF ABBEVILLE, LOUISIANA

Notes to Financial Statements

NOTE 4 CAPITAL ASSETS

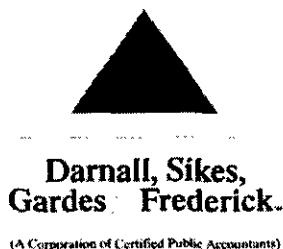
	Balance December 31, 2003	Additions	Deletions	Balance December 31, 2004
Capital Asset Cost:				
Equipment	\$ 40,325	\$ -	\$ -	\$ 40,325
Furniture and fixtures	<u>29,036</u>	<u>-</u>	<u>-</u>	<u>29,036</u>
	<u>\$ 69,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,361</u>
Accumulated Depreciation:				
Equipment	\$ 23,678	\$ 3,801	\$ -	\$ 27,479
Furniture and fixtures	<u>22,136</u>	<u>1,588</u>	<u>-</u>	<u>23,724</u>
	<u>\$ 45,814</u>	<u>\$ 5,389</u>	<u>\$ -</u>	<u>\$ 51,203</u>
Net Capital Assets	<u>\$ 23,547</u>	<u>\$ (5,389)</u>	<u>\$ -</u>	<u>\$ 18,158</u>

NOTE 5 DEFERRED REVENUE

In late 1989, the City Court instituted a policy to accept partial payments of court costs and fines. Prior to this, a sentenced individual was required to pay the assessed court costs and fines in full or serve time in jail. Due to the shortage and cost of jail facilities it was decided that a series of partial payments would be accepted until the complete court assessed fine was paid out. Collections of partial payments are deposited into a separate checking account called the "special account". The balance in this cash account at December 31, 2004 was \$303,649 consisting of approximately \$60,146 expected to be recognized as revenue in the future, \$240,585 to be disbursed to various governmental agencies, and \$2,918 representing accumulated interest earnings that have not yet been transferred to the criminal account.

SUPPLEMENTAL INFORMATION

INTERNAL CONTROL AND COMPLIANCE



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Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of
Financial Statements Performed in
Accordance with *Government Auditing Standards*

The Honorable Edward Broussard, Judge
City Court of Abbeville, Louisiana

We have audited the financial statements of the City Court of Abbeville, Louisiana, a component unit of the City of Abbeville, Louisiana, as of and for the year ended December 31, 2004, and have issued our report thereon dated June 3, 2005. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City Court of Abbeville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the City Court of Abbeville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2004-1 and 2004-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions are material weaknesses.

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Compliance

As part of obtaining reasonable assurance about whether the City Court of Abbeville, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and others within the organization. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Dannall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
June 3, 2005

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Findings
Year Ended December 31, 2004

PART I SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the City Court of Abbeville, Louisiana's financial statements as of and for the year ended December 31, 2004.

Reportable Conditions – Financial Reporting

Reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements and are shown as items 2004-1 and 2004-2 in Part II.

Material Noncompliance – Financial Reporting

No instances of noncompliance material to the financial statements were disclosed during the audit of the financial statements.

FEDERAL AWARDS

The City Court of Abbeville, Louisiana received no federal awards during the year ended December 31, 2004 therefore an audit under the provisions of OMB Circular A-133 was not applicable.

PART II FINDINGS RELATING TO AN AUDIT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2004-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the City Court of Abbeville did not have adequate segregation of functions within the accounting system.

Recommendation:

Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties. However, City Court should assign accounting functions to various employees so that no one individual collects and deposits cash, performs bank reconciliations, prepares and signs checks, and maintains journals.

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Findings (Continued)
Year Ended December 31, 2004

2004-2 Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits

Finding:

City Court accepts partial payments of court fines and deposits these partial payments in a separate bank account. City Court was unable to provide a subsidiary listing by payee which reconciled to amounts on deposit in the partial payment bank account. While City Court has a system of filing receipts of partial payments that provides some detail as to the composition of the current cash balance, no effort has been made to reconcile this filing system to cash balances.

Recommendation:

City Court should establish procedures to maintain a subsidiary listing of partial payments that can regularly be reconciled to cash balances.

CITY COURT OF ABBEVILLE, LOUISIANA

Schedule of Prior Year Findings
Year Ended December 31, 2004

Prior Year Findings Related to Internal Control:

2003-1 Inadequate Segregation of Accounting Functions

Status: This finding is unresolved. See current year finding 2004-1.

2003-2 Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits

Status: This finding is unresolved. See current year finding 2004-2.

2003-3 Noncompliance with Budget Law

Status: This finding is resolved.

2003-4 Noncompliance with Budget Law

Status: This finding is resolved.

CITY COURT OF ABBEVILLE, LOUISIANA

Corrective Action Plan
Year Ended December 31, 2004

Response to Findings:

2004-1 Inadequate Segregation of Accounting Functions

City Court will segregate accounting functions to the extent possible.

2004-2 Reconciliation and Maintenance of Subsidiary Detail of Partial Payment Deposits

City Court intends to investigate the deficiencies in its system of accounting for partial payments and implement procedures to mitigate those deficiencies.